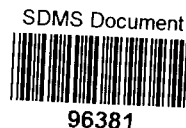




Joseph R. Brendel
Direct Dial 412 394 2373
Email: jbreindel@thorpreed.com



ATTORNEYS AT LAW SINCE 1895

**VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

October 6, 2006

Sarah Flanagan, Esquire
Assistant Regional Counsel
Office of Regional Counsel
U. S. Environmental Protection Agency
290 Broadway - 17th Floor
New York, NY 10007-1866

Re: Diamond Alkali Superfund Site
Response to General Notice Letter to Chargeurs, Inc.

Dear Ms. Flanagan:

This is in response to the General Notice Letter, dated September 11, 2006, from Mr. Ray Basso, Strategic Integration Manager, Emergency and Remedial Response Division, of the U.S. Environmental Protection Agency ("EPA"), notifying Chargeurs, Inc. of its potential liability related to the Diamond Alkali Superfund Site (the "Site") and inviting Chargeurs, Inc. to become a "cooperating party" for the Lower Passaic River Restoration Project. For the reasons set forth herein, Chargeurs, Inc. denies that it has any liability with respect to the Site and, accordingly, respectfully declines the EPA's invitation to participate in the project. Furthermore, Chargeurs, Inc. requests that the EPA remove Chargeurs, Inc. from the list of potentially responsible parties ("PRPs") for the Site.

As a preliminary matter, I note that Mr. Basso's September 1, 2006 correspondence was addressed to "Chargeurs, 38, Rue Marbeuf, 75008 Paris, France." Chargeurs, Inc. is not located at that address in France, which instead is the address of Chargeurs, S.A., a French company. Chargeurs, S.A. has no connection whatsoever to any operations in New Jersey that may have led to the presence of hazardous substances in the Lower Passaic River. In fact, Chargeurs, S.A. does not conduct, and has never conducted, business of any kind in the State of New Jersey.

Furthermore, a copy of Mr. Basso's letter was sent to "Chargeurs Wool USA, Inc." ("Chargeurs Wool") with an address of 178 Wool Road, Jamestown, South Carolina 29453. Although that is the current registered address of Chargeurs, Inc., Chargeurs Wool and Chargeurs, Inc. are separate and distinct corporations. Like Chargeurs, S.A., Chargeurs Wool has no connection to any operations in New Jersey that may have led to the presence of hazardous substances in the Lower Passaic River. Accordingly, neither Chargeurs, S.A. nor Chargeurs Wool should be considered a PRP with respect to the Site.

I now turn to the alleged liability of Chargeurs, Inc. ("Chargeurs") at the Site. As indicated in Mr. Basso's September 11, 2006 correspondence, an entity known as United Piece Dye Works ("United") owned and operated several facilities in Lodi, New Jersey.

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However, in 1959, United ceased operations in Lodi and sold all or a substantial portion of its real estate to Bel Vista Trailer Park, Inc. In 1972 Prixilla, S.A., a Swiss company, acquired 21% of the stock of United. In 1997, Prixilla, S.A. changed its name to Colores Holding, S.A. In 1972 Fibag, a Swiss company, acquired 21% of the stock of United. Fibag later changed its name to Pricel, A.G. In 1977, Finco Limited, a Guernsey, Channel Island company, acquired 48% of United. Finco Limited later changed its name to Pricel Limited. As a result of these transactions, by 1977, 90% of the stock of United was owned by three (3) different foreign companies, none of which owned a controlling interest in United.

On January 26, 1979, United was merged into UPDW, Inc. ("UPDW"), a Delaware Corporation incorporated on January 18, 1979. UPDW was 100% jointly owned by the same three foreign companies that owned the majority of the shares of United. At that time or shortly thereafter, all of the stock of UPDW, owned by Colores (Swiss), Pricel, A.G. (Swiss) and Pricel Limited (Guernsey), was contributed to Pricel, Inc., a Delaware corporation incorporated on December 29, 1978. On December 21, 1982, Pricel, Inc. changed its name to "Chargeurs, Inc."

Therefore, Chargeurs, then known as "Pricel, Inc.," became the sole shareholder of UPDW approximately 20 years after United ceased its operations in Lodi, New Jersey. Given this time frame, it is clear that Chargeurs had absolutely no involvement in the day-to-day operations of United when the Lodi facilities were operating. Chargeurs could not have played any role in environmental matters at the United facilities and cannot be considered to be an "operator" under CERCLA. *United States v. Bestfoods*, 524 U.S. 51 (1998).

Furthermore, because United's Lodi, New Jersey operations ceased well before Chargeurs' acquisition of the stock of UPDW, there are no extraordinary circumstances warranting piercing of the corporate veil in order to hold Chargeurs liable for United's alleged liability at the Site. Accordingly, Chargeurs denies EPA's assertions that it is the "successor" to United and is potentially liable for response costs which may be incurred related to the Site. To the contrary, the relevant facts establish that Chargeurs is not the successor to United and that there is no basis for imputing any alleged liability of United to Chargeurs.

Finally, please note that UPDW was dissolved pursuant to the laws of the State of Delaware by filing a Certificate of Dissolution with the Delaware Secretary of State on January 25, 1983. A copy of UPDW's Certificate of Dissolution is attached hereto. The Delaware General Corporation Law provides that claims against a dissolved entity, or the shareholders of the dissolved entity, must be brought within three years of the dissolution. Therefore, any claim asserted against UPDW or Chargeurs would be barred by the Delaware General Corporation Law.



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In conclusion, Chargeurs is not responsible for any alleged liability of its former, dissolved subsidiary, UPDW, for activities that United conducted at the Site twenty (20) years prior to Chargeurs acquiring the stock of UPDW. Chargeurs also cannot otherwise be considered an "operator" under CERCLA for activities related to the Site. Therefore, Chargeurs should be removed from the list of PRPs for the Site.

If you have any questions with respect to this matter, please feel free to contact me.

Very truly yours,

A handwritten signature in black ink that reads "Joseph R. Brendel". The signature is written in a cursive, flowing style.

Joseph R. Brendel

JRB/jmb

Attachment

cc: William H. Hyatt, Esquire (w/attachment)
Philippe Haroche (w/attachment)

State of Delaware
Office of the Secretary of State PAGE 1

I, EDWARD J. FREEL, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF DISSOLUTION OF "UPDW, INC.", FILED IN THIS OFFICE ON THE TWENTY-FIFTH DAY OF JANUARY, A.D. 1983, AT 10 O'CLOCK A.M.



A handwritten signature in cursive script, reading "Edward J. Freel".

Edward J. Freel, Secretary of State

AUTHENTICATION:

0866181 8100

DATE: 7855917

960066517

03-07-96

CERTIFICATE OF DISSOLUTION
OF
UPDW, INC.

10 Am
FILED

JAN 25 1983

Mark C. Kuylen
SECRETARY OF STATE

Adopted in accordance with the provisions
of Section 275 of the General Corporation
Law of the State of Delaware

We, Eugene A. DeLutio, President, and Richard M.
Kart, Secretary, of UPDW, Inc., a corporation organized and
existing under the laws of the State of Delaware (the
"Corporation"), do hereby certify as follows:

FIRST: That the Board of Directors of the
Corporation, by the unanimous vote of the whole board, has
adopted a resolution deeming it advisable that the
Corporation be dissolved.

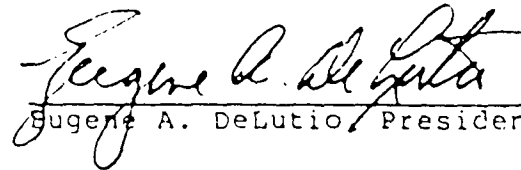
SECOND: That, in lieu of a meeting and vote of
the stockholders of the Corporation, the dissolution of the
Corporation has been duly adopted by the written consent of
the sole stockholder of the Corporation, in accordance with
the provisions of Section 228 of the General Corporation
Law.

THIRD: That the dissolution of the Corporation
was duly authorized in accordance with the provisions of
Section 275 of the General Corporation Law.

FOURTH: That the names and addresses of the offi-
cers and directors of the Corporation are as follows:

<u>Name</u>	<u>Office</u>	<u>Residence</u>
Eugene A. DeLutio, Director and President	c/o Chargeurs Inc. 111 West 40th Street New York, NY 10018	3 Green Briar Lane Dix Hills, NY 11740
R. Douglas McPheters, Director and Assistant Secretary	Hertzog, Calamari & Gleason 100 Park Avenue New York, NY 10017	106 East 85th Street New York, NY 10028
Richard M. Kart, Secretary-- Controller	c/o Chargeurs Inc. 111 West 40th Street New York, NY 10018	65 Keane Lane East Northport, Long Island 11731

IN WITNESS WHEREOF, we have signed this
certificate this 27th day of December, 1982.


Eugene A. DeLutio, President

ATTEST:


Richard M. Kart, Secretary